

MINUTES
June 7, 2001

Seattle City Employees' Retirement System
Regular Board Meeting

Thursday, June 7, 2001 - 9:30 a.m.
Seattle Metropolitan Credit Union
Conference Room – 3rd Floor

Present: Jan Drago, Dwight Dively, Norma McKinney, Jim Fletcher and Lou Walter.

Absent: John Curtin and Frank Mathews

Also Present: Russ Teller – ARSCE, Eddie Haw – ARSCE, Bill Farrell – ARSCE, Jim Coover – ARSCE, Ken Hunich – ARSCE, Jesse Tapp – ARSCE, Walter North – ARSCE, Kirk Jones – ARSCE, Barbara Guptill – ARSCE, Mel Robertson and Norm Ruggles.

Upon motion by Lou Walter, seconded by Dwight Dively, the Retirement Board appointed Jim Fletcher to serve as Chair of the meeting in the absence of Jan Drago. (Ms. Drago arrived shortly thereafter and became Chair.)

Public Comment: Several comments were made about the possible COLA improvements which were recommended by the Board and which are being discussed in labor contract negotiations. Barbara Guptill, new president of ARSCE, expressed the retirees' need for a compounding COLA. Ken Hunich commented on the progress made toward removing the Retirement System's unfunded liability, and the retirees' desire for a meaningful COLA. Jim Coover said that COLA improvements have been pending for three years, and that retirees deserve a fair COLA. Bill Farrell expressed disappointment with the length of time required to obtain approval of an improved COLA. Jesse Tapp discussed the current inequity between COLA's for new retirees and past retirees, and said the recommended 1.5% COLA for past retirees should be separated from other labor items to obtain quicker approval. Russ Teller emphasized the inequity of the existing COLA's and expressed frustration with the confidentiality of the labor negotiation process. The Board responded and discussed these various concerns, and reiterated the continuing desire to improve COLA's. Comments and responses were made by Dwight Dively, Lou Walter, Jan Drago, Norma McKinney and Norm Ruggles.

Minutes:

Upon motion by Dwight Dively, seconded by Jim Fletcher, the Retirement Board approved the minutes from the May 3, 2001 Retirement Board meeting.

Ratification of Retired Payroll, Office Payroll, other Billings and Withdrawals:

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$ 4,419,634.26
Disability	51,506.20
Beneficiary	553,058.03

Pension Payroll – May 2001	\$ 5,024,198.49
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Office Payroll - pay period ending April 24, 2001	\$ 20,604.58
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Office Payroll - pay period ending May 8, 2001	\$ 20,851.24
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Vouchers Processed - from April 24, 2001 through May 29, 2001	\$ 864,795.90*
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* \$ 818,097.57 Expert and Consultant Services

Upon motion by Dwight Dively, seconded by Jim Fletcher, the Board ratified the Retired Payroll, Office Payroll, other Billings and Withdrawals.

Immediate Withdrawal of Contributions

<u>Member</u>	<u>Department</u>	<u>Position</u>
Alston, Anthony R.	Seattle Center	Sr.Event Service Rep.
Baker, Connie J	Police	Administrative Specialist I
Bartholomew, Steven R.	Light	Lineworker
Batchelor, Tracy Patricia	Human Services	Sr. Grants Contracts Spec.
Bolinger, Roger A	SPU	Street Maintenance
Bown, Andrea D	Finance	Administrative Specialist I
Browne, Frederick Tyrome	SPU	Mgmt. System Analyst
Burton, Lora L.	Police	Dispatcher
Chaverin, Carolyn M	Doit	Telecommunication Sys. Analyst
Conley, Ellen L.	Light	Laborer
Dickey, Erin R	ESD	Office Equipment Operator
Ellis, Renee Twinette	SPU	Administrative Specialist II
Fitzgerald, Suzanne M	Parks	Recreation Leader
Frazer, Angelyn Celestine	Civil Rights	Outreach Specialist
Giri, Binit	Seattle Center	Parking Supervisor
Clasen, Pamela	SPU	Asst. Civil Engineering Spec.
Hanes, Tanginka La'Shae	SPU	Utility Account Rep.
Harris, Russell A	Seattle Center	Laborer
Healy, Erin A	Legislative	Sr. Planning & Dev. Spec.
Hite, Carrie S	DHHS	Youth Specialist
Holman, Leah L	Neighborhoods	Research & Eval. Asst.
Moore, Lonnie D	Light	Office Assistant
Morris, Joanne Marie	Police	Administrative Specialist I
Redman, Charles Edward	DCLU	Finance Manager
Rettig-Turner, Rebekah A	ESD	Bridge Operator
Rhamstine, John Stephen	Seattle Center	Director Events Prod.
Scott, Tonya D	Muni Court	Cashier
Shockley, Earl W	Light	Sr. Power Dispatcher
Samuels, Gary T.	Finance	Animal Control Officer I
Strieby, Karl	Seattle Center	Dinning Room Attendant
Taylor, Larry	DHHS	Deputy Director
Woods, Benson Delmont	TES	Warehouser
Zdunich, Marty M.	OED	Sr. System Analyst

Ratification of Service Retirements:

Information: The following list represents the retirements that have been processed since the last Retirement Board meeting.

<u>Member</u>	<u>Retired</u>	<u>Years</u>	<u>Days</u>	<u>Department</u>	<u>Position</u>	<u>Age</u>	<u>Option</u>
Alwin, William	01/03/2001	21	229	SPU	Systems Programmer	55	S, F
Arsenaux, Marge	05/03/2001	24	332	Parks	Administrative Specialist I	52	S
Bartholomew, Theresa	05/02/2001	30	162	Police	Warrant Officer,Sr	59	D, G-100
Brown, Thomas W.	04/05/2001	30	11	K.C. Jail	Captain	51	S, G-100
De La Cruz, Ernestine	05/03/2001	14	274	ESD	Office Assistant	46	I
DiJulio, Donald A.	04/03/2001	30	9	K.C. Jail	Corrections Captain	53	S
Geiger, Thomas W.	04/18/2001	30	17	SEATRAN	Truck Driver	50	D, G-100

Guevara, Roderick A.	04/10/2001	20	308	City Light	Meter Reader	52	E, G-50
Haley, David	04/28/2001	19	131	ESD	Finance/Mngmt Systems	57	S
Johnson, Sandra	05/08/2001	32	88	City Light	Account Technician III	53	C10
Leaden, Robin	04/25/2001	28	173	DHHS	Finance Analyst, Sr.	52	S
Rheubottom, Michael G.	11/02/2000	17	167	Parks	Beneficiary	41	19b
Stivers, Robert	04/11/2001	25	24	City Light	Management Systems	62	S
Westmoreland, Gay	05/02/2001	24	362	DCLU	Permit Process Leader	53	S, G-100

Upon motion by Dwight Dively, seconded by Norma McKinney, the Retirement Board approved the service retirements listed above, pending final review.

Ratification of Investment Transactions and Statement of Securities and Cash:

Upon motion by Dwight Dively, seconded by Jim Fletcher, the Retirement Board approved the Investment Summary report.

Investment Committee Report:

It was announced that the Investment Committee is scheduled to meet at noon on Wednesday, June 27, 2001 in the Retirement Office.

The Board was given a document prepared by Mel titled “Transition to New Asset Allocation” which summarizes the actions being taken to implement the new asset allocation. Norm briefly discussed the changes being made in each asset class.

The Board was given the “Investment Manager Watch List Procedures” which describe the actions the Investment Committee has agreed it will take toward underperforming investment managers.

The Board was given the recently drafted Investment Advisory Committee “Bylaws” which were adopted by the Committee on May 30, 2001. Norm mentioned some of the key provisions and there was discussion by the Board.

Upon motion by Dwight Dively, seconded by Lou Walter, the Retirement Board approved the Investment Advisory Committee Bylaws.

Norm reported that the Investment Committee has approved termination of the agreement with Vanderbilt Capital, an underperforming fixed income manger.

Upon motion by Dwight Dively, seconded by Lou Walter, the Retirement Board ratified the decision of the Investment Committee to terminate the relationship with Vanderbilt Capital.

Norm briefly explained a “Bull/Bear Markets” chart that was given to the Board, and gave an update on the domestic fixed income manager search which is underway.

Mel Robertson described the need of some third parties for a written Board resolution authorizing the Executive Director and Assistant Executive Director to perform investment actions.

Upon motion by Lou Walter, seconded by Dwight Dively, the Retirement Board passed a resolution to formally identify Norm Ruggles and Mel Robertson as authorized representatives of the Board, to process and sign on behalf of the Board, various items including, but not limited to: voting of proxies; transfer, assignment and sale of stocks, bonds, or other securities belonging to the System; and to make purchases on behalf of the System.

Executive Director Report:

The following summarizes the Executive Director's monthly report to the Board:

1. The Board was given a 13 page list of frequently asked retirement questions, with answers. Everyone on staff has been given the list, with the goal of all staff members being able to provide quick and consistent answers.
2. Norm discussed the improper rate increase charged by retiree medical provider Regence in May, and explained how the problem is being resolved. He handed out a letter of explanation which Regence has sent to all plan participants.
3. The ordinance which will revise and update the Municipal Code sections on the amount of retirement benefits was approved by City Council on May 7, 2001 and signed by the Mayor on May 14, 2001. It will become effective on June 14, 2001.
4. A "Handbook on Asset-Liability Management" and a videotape on disability retirements, both of which John Curtin obtained at the recent NCPERS Conference, are available from Norm if any Board member would like to borrow them.
5. Mel handed out and discussed the list of priorities he has prepared for implementing the suggestions made by the City Auditor, and gave an update on the items that have been completed and the projects currently in progress.

Old Business:

(1) Status of Benefit Enhancements	(Old Business)
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The actuarial valuation being prepared by Milliman & Robertson is expected to be delivered to the City by the end of June. This study will be used in the bargaining process.

New Business:

No items discussed.

Adjournment

Upon motion by Dwight Dively, seconded by Jan Drago, the Retirement Board voted to adjourn the meeting.

Norma McKinney, Secretary